BRUNEI REPORTS

JACK BLACKBURN & 2 ORS. v. BOON ENGINEERING & CONSTRUCTION SDN. BHD. & ORS. (OVE ARUP DAN RAKAN2, THIRD PARTY)

[O.C.J. (Roberts C.J.) February 13 & 14, 1987]

[Bandar Seri Begawan – Suit No. 289 of 1986]

Patents – U.K. Patents Act 1949 – Applicability in Brunei – Life of patent – 20 years or 16 years – Whether there is need for compulsory licensing – Application of Laws Act (Cap. 2) – Inventions Act (Cap. 72), ss. 3(2) & 35.

The defendant issued a summons-in-chambers seeking various directions, among them, the following preliminary points of law for the court's decision:

1. Whether or not the U.K. Patents Act 1949 is a statute of general application within the meaning of the Application of Laws Act (Cap. 2), subject to the provisions of the Inventions Act (Cap. 72).

2. Whether the life of a patent registered in Brunei is 16 or 20 years from the date of issue of the grant in the United Kingdom.

3. Whether or not, if the answer to Question 2 is 20 years, the patent is subject to compulsory licensing in accordance with the First Schedule to the U.K. Patents Act 1977 when the patent is 16 years old.

4. Whether or not, if the answer to Question 1 is yes, the contract between the Government of Brunei and the defendant, read with Ove Arup dan Rakan2's letter of February 21, 1986, amounted to a consent under section 46 of the U.K. Patents Act 1949.

Held: (1) the 1949 U.K. Patents Act does not apply in Brunei by virtue of section 2 of the Application of Laws Act (Cap. 2) since Brunei has the Inventions Act (Cap. 72);

(2) the life span is 20 years;

(3) since Brunei is merely giving effect to U.K. grants and has no power to amend them or administer them, save to the extent provided by Chapter 72, an application under section 35, failing agreement with the patentee, would have to be made to the Comptroller in the U.K. and not to anyone in Brunei;

(4) since the 1949 U.K. Patents Act is inapplicable in Brunei, it follows that section 46 of that Act is also inapplicable as it falls with the remainder of the 1949 Act.

Cases referred to:

(1) *Bong Sau Fei* v. *Chong Chui Lien & Anor.* [1986] 2 M.L.J. 475.
(2) *Toh* v. *Lee* [1960-63] S.C.R. 194.
(3) *Dixon* v. *London Small Arms* (1874-75) L.R. 10 Q.B. 130.

CIVIL SUIT.

Joseph Hoo for the plaintiffs.

David Clidero for the defendant.

T. C. Chan for the third party.

Cur. Adv. Vult.

Roberts C.J.: The defendant issued a summons-in-chambers, seeking various directions, among them, that a number of preliminary points of law should be determined.

I acceded to the request, since it seemed likely that such determination would shorten the length of the main trial.

The questions posed are as follows:

1. Whether or not the U.K. Patents Act 1949 is a statute of general application within the meaning of the Application of Laws Act (Cap. 2), subject to the provisions of the Inventions Act (Cap. 72).

2. Whether the life of a patent registered in Brunei is 16 or 20 years from the date of issue of the grant in the United Kingdom.

3. Whether or not, if the answer to Question 2, is 20 years, the patent is subject to compulsory licensing, in accordance with the First Schedule to the U.K. Patents Act 1977, when the patent is 16 years old.

4. Whether or not, if the answer to Question 1 is yes, the contract between the Government of Brunei and the defendant, read with Ove Arup dan Rakan2's letter of February 21, 1986, amounted to a consent under section 46 of the Patents Act 1949.

Question 1

The importation into Brunei law of English statutes is effected by section 2 of the Application of Laws Act (Cap. 2) which reads:

"2. Subject to the provisions of this Act and save in so far as other provision has been or may hereafter be made by any written law in force in Brunei, the common law of England and the doctrines of equity, together with statutes of general application, as administered or in force in England at the commencement of this Act, shall be in force in Brunei:

Provided that the said common law, doctrines of equity and statutes of general application shall be in force in Brunei so far only as the circumstances of Brunei and of its inhabitants permit and subject to such qualifications as local circumstances and customs render necessary."

The tests which should be applied when deciding whether a statute is "of general application" were considered in some detail in *Bong Sau Fei* v. *Chong Chui Lien and Another.*[1]

I took, as the proper test to be adopted, that propounded by Ainley C.J. in *Toh* v. *Lee*[2] at p. 197:

"I think that the clear intention of section 2 of the Application of Laws Ordinance is that, subject to the proviso and subject to local law, the statute law of England which affects the public at large and is not local or personal in its application shall be the law of Sarawak."

In applying this test, I suggested that an English statute should be assumed to be of general application, unless it is of such a nature as to withdraw it from the category, observing:

"I suggest that among the reasons for deciding that a statute is not of general application are that it is of a local, temporary or personal nature, or that it is limited in scope (*e.g.* a fiscal or revenue measured) or that it deals with a specific institution (*e.g.* an electricity board or an art gallery) or that it is concerned with a limited class of persons (like the Ecclesiastical Commissioners or those who work in the coal mining industry)."

The 1949 Patents Act ("the 1949 Act"), applied throughout England and Wales, does not fail for any of the above reasons and I would have ruled that it was a statute of general application in force in England on the relevant date, April 25, 1951, and so part of the law of Brunei, by virtue of section 2 of Cap. 2, were it not for the presence in Brunei law of the Inventions Act (Cap. 72) enacted in 1925.

This Act obliges me to consider the phrase in section 2 of Cap. 2, "Save in so far as other provision has been or may hereafter be made by a written law in force in Brunei".

The 1949 Act dealt comprehensively with all aspects of the grant of a patent. It set out the manner of application for a grant, its effect and duration, the amendment of specifications, the revocation of patents, compulsory licences, the use of patented inventions by the Crown, rights in inventions, proceedings for infringement, the establishment of a register of patents, proceedings before the Comptroller General of Patents, Designs and Trade Marks, and before an appeal tribunal.

If the 1949 Act were a statute of general application, imported as a whole into Brunei law, it would be necessary:

(a) for the entire procedure for dealing with patent applications to be adopted, including the setting up of a Brunei register of original patents;

(b) for the necessary modifications to have been made to it under section 50 of the Interpretation and General Clauses Act (Cap. 4).

The fact that no such steps have been taken is, by itself, no more than an indication that the 1949 Act has not been thought to apply in Brunei and would not be conclusive.

The Inventions Act (Cap. 72) deals with the protection in Brunei of patents granted in the U.K., Malaysia and Singapore.

The Act makes no provision for the registration in Brunei of patents granted initially in Brunei. It protects, by virtue of a certificate of registration issued in Brunei, a patent granted in three other countries.

The inference which must be drawn is that the Brunei legislature, when enacting Cap. 72, did not intend to create a register of local patents, but only one of re-registered overseas patents. Cap. 72 leaves no room for the adoption of the 1949 Act.

It must be noted also that Cap. 72 deals with patents granted in three different countries. It would clearly be anomalous if the whole machinery for dealing with U.K. patents were part of Brunei law, but similar provisions relating to the other countries were not.

I am therefore of the opinion that the 1949 Act does not apply in Brunei by virtue of section 2 of Cap. 2, since other provision has been made, though, as will be seen later, this does not prevent some of its provisions from being an effective part of our law by another route.

I comment, in passing, though the point is no longer relevant, in view of my conclusion as to the 1949 Act that, had it been part of Brunei law by virtue of Cap. 2, I do not think that the 1977 Act would have similarly imported, by virtue of section 51(1) of Cap. 4.

This section provides that a reference in any written law or in any instrument thereunder to an Act of Parliament or an Order in Council shall include a reference to the same as the same may from time to time be amended and to any Act of Parliament or Order in Council reenacting, with or

without modifications, the provisions of such Act of Parliament or Order in Council.

This section is intended to apply to specific references in a Brunei Act to an English Act. Thus, if Cap. 72 had stated that "the Patent Act 1949 shall be in force in Brunei", amendments to that Act would also have been so in force, as would the 1977 Act, which reenacted the 1949 Act with modifications.

I am in no doubt that section 51(1) of Cap. 4 is limited in that way in its effect. It was not intended, nor does its wording support such an interpretation, that this section should have the effect of bringing into Brunei *post* April 25, 1951 amendments to *pre* April 25, 1951 English statutes of general application. If such had been intended, Cap. 2 would have said so in terms.

Question 2

By section 3(2) of Cap. 72, when a certificate of registration has been issued by the state secretary, the applicant will enjoy the full and exclusive privilege to the use of the invention in Brunei, during the remainder of the term for which the patent was granted or renewed.

Section 3(3) provides that the rights and privileges shall date from the grant in the U.K. and "continue in force only so long as the grant remains in force in the country in which it was issued".

Although the 1949 Act is not part of the law of Brunei by virtue of Cap. 2, it is necessary to refer to it in order to discover the duration of the patent concerned. The date of the patent was October 3, 1969 and a certificate of registration in Brunei was obtained in the same month.

In 1969, a patent granted under the 1949 Act lasted for 16 years, though there was provision for an extension for up to five years, or ten years in exceptional cases.

The 1949 Act was repealed and replaced by the U.K. Patents Act 1977. This extended the life of "new existing patents" – *i.e.* those issued after June 1, 1967 – to 20 years, without any possibility of extension.

Since Cap. 72 does not refer to the 1949 Act, but merely to the continuation of privileges and rights for as long as the grant remains in force, alterations in the U.K. to the duration of the grant will apply automatically, so as to extend the life of the U.K. patent to the new span of 20 years.

Question 3

By paragraph 4(1)(c) of Schedule 1 to the U.K. Patents Act 1977, where the life of a patent was extended by that Act from 16 to 20 years, it shall be treated at the end of the sixteenth year of its life as "endorsed under section 35 of the 1949 Act".

Such endorsement, which will apply, in my opinion, to the plaintiffs' patent, entitles any person to a licence, upon terms agreed with the patentee or settled by the Comptroller.

Since Brunei is merely giving effect to U.K. grants and has no power to amend them or administer them, save to the extent provided by Cap. 72, an application under section 35, failing agreement with the patentee, would have to be made to the Comptroller and not to anyone in Brunei.

Question 4

As I have already found that the 1949 Act does not apply in Brunei, it must follow that section 46 of that Act is inapplicable, since it falls with the remainder of the 1949 Act.

If it is intended to confer statutory power on a department of the Government of Brunei to use a patented invention for the services of the Crown of Brunei, a specific provision to that effect would have to be inserted in Cap. 72, or elsewhere.

I note that the Hong Kong Registration of United Kingdom Patents Ordinance (Cap. 44), which does not establish a primary Hong Kong register of patents but provides for the issue of certificates in the same manner as Cap. 72, includes, with minor modifications, sections 46, 47 and 48 of the 1949 Act.

Had it been necessary for me to decide whether or not there had been an authorization under section 46 of the 1949 Act, I would have had little hesitation in concluding that there had not as:

(a) the defendant did not receive written authority to use the patent from a government department;

(b) he received a letter from Ove Arup dan Rakan2, in which he was warned of the existence of a patent and told that he would use his material at his own risk;

(c) there was no reference by any of those concerned to the section under which a government department can authorize such use. I consider that, where private rights are to be affected in this manner, the exercise of such a power should be identified, if it is to be effective, and not merely inferred from the fact that the rights were infringed on behalf of a department which had a right to take such action if it chose to exercise it.

I do not express any view as to the extent of the right of the Crown at common law to use patented inventions without the consent of the patentee and without compensation, other than to observe that the defendant might find himself in difficulty, in view of *Dixon* v. *London Small Arms Company*.(3)

At the end of this application, I ordered the plaintiffs to give security for costs in the sum of $34,000. The costs of this application shall be costs in the cause.

Order accordingly.

Solicitors: *Advani Hoo Morris & Lal; David Clidero & Co.; Choo Chan & Wong.*

LITA MADDOX v. THE NETHERLANDS INSURANCE CO. (EST. 1845) LTD.

[O.C.J. (Roberts C.J.) February 9 & 12, 1987]

[Bandar Seri Begawan – Suit No. 240 of 1986]

Insurance – Motor insurance policy – Third party liability – Exception to liability – Fatal accident to passenger – Passenger and driver – Employed by insured – Whether death in the course of employment – Whether death by reason of or in pursuance of a contract of employment – Whether insurer liable to indemnify insured – Motor Vehicles (Third Party Risks) Act (Cap. 90).

The issue for decision in this case is whether the defendant insurance company is relieved of liability to pay to the plaintiff the judgment sum of $172,191.10 with interest and costs obtained by the plaintiff against Wilco Electronics (B) Ltd. ("Wilco") in Suit No. 245 of 1985 on June 14, 1986. Wilco were the owners of a motor vehicle No. BB163 covered by a motor insurance policy issued by the defendant against risks therein specified including liability to third parties. The policy contained the following exceptions to the defendant's liability to third parties:

"The company shall not be liable in respect of –

(i) .....

(ii) death of or bodily injury to any person in the employment of the insured arising out of and in the course of such employment;

(iii) death of or bodily injury to any person (other than passenger carried by reason of or in pursuance of a contract of employment) being carried in or upon entering or getting on to or alighting from the motor vehicle at the time of the occurrence of the event out of which any claim arises."

On September 6, 1982, at Mile 15, Jalan Seria/Tutong, while Galdones, the deceased, was a passenger in vehicle BB163, driven by Guinto, an accident involving BB163 occurred resulting in the death of the deceased and injury to Guinto. Both the deceased and Guinto were the employers of Wilco at the material time. Guinto had a valid driving licence and the insurance policy was in force. The plaintiff has not received any payment under the judgment in the said Suit No. 245 of 1985 and now brings this action under the Motor Vehicles (Third Party Risks) Act (Cap. 90) to enforce the order of Hooper J. against the defendant as insurer of BB163.

The learned Chief Justice found that when the deceased and Guinto were driving from Bandar Seri Begawan to Seria, they were travelling to work, but were not, at the time of the collision, on duty. To succeed in its defence, the defendant must establish either (a) that the death of the deceased arose out of and in the course of his employment by Wilco; or (b) that the deceased was a passenger in the vehicle and that he was not a passenger "carried by reason of or in pursuance of a contract of employment".

Held: (1) the deceased was not acting in the course of his employment when he was killed;

(2) it was open to the court to find that the deceased was travelling by reason of his contract of employment, even though not in the course of his employment;

(3) the deceased fell within the bracketed exception to exclusion (iii), so that the defendant is not relieved of liability thereby. In the result, the defendant's liability under the policy with Wilco to indemnify the latter is not excluded by either of the exceptions to section 11 of the contract;

(4) there must be judgment for the plaintiff for $172,191.10 plus interest at 6% from date of death until date of judgment, with costs.

Cases referred to:

(1) *St. Helens Colliery Co. Ltd.* v. *Hewitson* [1924] A.C. 59.

(2) *Weaver* v. *Tredegar* [1940] *Iron and Coal Co. Ltd.* A.C. 955.

(3) *Vandyke* v. *Fender* [1970] 2 All E.R. 335, 340; [1970] 2 Q.B. 292.

(4) *Izzard* v. *Universal Insurance Company Ltd.* [1937] A.C. 773.

(5) *Tan Keng Hong* v. *New India Assurance Co. Ltd.* [1978] 1 M.L.J. 97 (P.C.)

(6) *Nottingham* v. *Aldridge & Anor.* [1971] 2 All E.R. 751; [1971] 2 Q.B. 739.